State: Maine

OFFICIAL

POLICY REGARDING RESERVING INPATIENT FACILITY BEDS

The policy of the Maine Medical Assistance Program regarding reserving beds in an inpatient facility during the absence of recipients is as follows:

1. The inpatient facility in which a bed may be reserved:

Hospital	Yes X	No
Nursing Facility	Yes X	No
Intermediate Care Facility/MR	Yes X	No
Inpatient Psychiatric Hospital	Yes X	No

2. For patients in a Days Awaiting Placement status in a hospital, the number of days for reserving a bed during a leave of absence from a hospital: a maximum of 36 days during each period from July 1 to June 30, if prior authorization is given for each period of reservation.

3. The number of days for reserving a bed during a leave of absence in a Nursing Facility: Maximum of 36 overnight leaves of absence during each period from July 1 to June 30, if prior authorization is given for each period of reservation.

4. Payment for reserving a bed for residents of a nursing facility for short-term hospitalizations shall be granted for up to 10 days, provided the resident is expected to return to the nursing facility.

5. The number of days for reserving a bed during a leave of absence in an Intermediate Care Facility/MR is: Maximum of 52 days during each period from July 1 to June 30. Leave days must be included in the resident's individual plan (IP) developed and approved by Inter-Disciplinary Team (IDT).

6. Prior authorization for bed reservations for short-term hospitalizations, for individuals residing in an ICF/MR, may be granted for hospitalizations of no more than 25 days and when the individual is expected to return to the ICF/MR.

7. Prior authorization for bed reservation for an ICF/MR resident who is admitted to the Pineland Center Behavior Stabilization Unit shall be granted if the resident is expected to return to the ICF/MR and the resident's Individual Plan (IP) as developed by the Intra-Disciplinary Team (IDT) provides for the admission. In no case shall a bed reservation exceed 8 weeks.

8. The number of days for reserving a bed during a leave of absence from an inpatient psychiatric hospital is limited to the number of days approved by the Department. The leave days must be part of the patient's plan of care and directly related to the patient's therapy and eventual discharge.

STATE OF MAINE

DEPARTMENT OF HUMAN SERVICES

PRINCIPLES OF REIMBURSEMENT

FOR

NURSING FACILITIES

EFFECTIVE JULY 1, 1999

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CONTENTS

10 PURPOSE 1

11 AUTHORITY 1

12 GENERAL DESCRIPTION OF RATE SETTING SYSTEM 1

13 EFFECTIVE DATE 1

14 REQUIREMENTS FOR PARTICIPATION IN MEDICAID 1

15 RESPONSIBILITIES OF OWNERS OR OPERATORS 2

16 DUTIES OF THE OWNER OR OPERATOR 2

20 ACCOUNTING REQUIREMENTS 3
20.1 ACCOUNTING PRINCIPLES 3

21 PROCUREMENT STANDARDS 3

22 COST ALLOCATION PLANS AND CHANGES IN ACCOUNTING METHODS 3

23 ALLOWABILITY OF COST 5

24 COST RELATED TO PATIENT CARE 5

25 UPPER PAYMENT LIMITS 6

26 SUBSTANCE OVER FORM 6

27 RECORD KEEPING AND RETENTION OF FORMS 7

30 FINANCIAL REPORTING 7

31 MASTER FILE 7

32 UNIFORM COST REPORTS 8

33 ADEQUACY AND TIMELINESS OF FILING 9

34 REVIEW OF COST REPORTS BY THE DIVISION OF AUDIT 9

35 SETTLEMENT OF COST REPORTS 10

37 REIMBURSEMENT METHOD 11

40 COST COMPONENTS 11

41 DIRECT PATIENT CARE COST COMPONENTS 11
41.1 DIRECT PATIENT CARE COSTS 12
41.2 RESIDENT ASSESSMENTS 12
41.3 ALLOWABLE COSTS FOR DIRECT PATIENT CARE COST COMPONENT 15

42 INDIRECT PATIENT CARE COST COMPONENT 15
42.21 PHARMACY CONSULTANTS 16
42.22 DIETARY CONSULTANTS 16
42.23 MEDICAL DIRECTOR 16

43 ROUTINE COST COMPONENT 16
43.1 PRINCIPLE 16
43.2 INVENTORY ITEMS 16
43.3 ALLOWABLE COSTS OF EFFICIENT AND ECONOMICAL PROVIDERS 17
43.4 ALLOWABLE COSTS FOR THE ROUTINE COST COMPONENT 17
43.42.1 ALLOWABLE ADMINISTRATIVE AND MANAGEMENT CEILING 17
43.42.2 CEILING 18
43.42.3 ADMINISTRATIVE FUNCTIONS 18
43.42.4 DIVIDENDS AND BONUSES 19
43.42.5 MANAGEMENT FEES 19
43.42.6 CORPORATE OFFICERS AND DIRECTORS 19
43.42.7 CENTRAL OFFICE OPERATIONAL COSTS 19
43.42.8 LAUNDRY SERVICES 19
43.42.9 COST OF EDUCATIONAL ACTIVITIES 19
43.43 MOTOR VEHICLE ALLOWANCE 20
43.44 DUES 20
43.5 PRINCIPLES. RESEARCH COSTS 20
43.6 GRANTS, GIFTS, AND INCOME FROM ENDOWMENTS 20
43.7 PURCHASE DISCOUNTS AND ALLOWANCES AND REFUNDS OF EXPENSES 21
43.8 PRINCIPLE. ADVERTISING EXPENSES 21
43.9 INSURANCE 21
43.10 LEGAL FEES 22
43.11 COSTS ATTRIBUTABLE TO ASSET SALES 22
43.12 BAD DEBTS, CHARITY, AND COURTESY ALLOWANCES 22

44 FIXED COST COMPONENT 22
44.1 FIXED COSTS INCLUDE: 22
44.2 PRINCIPLE. DEPRECIATION 23
44.3 PURCHASE, RENTAL, DONATION AND LEASE OF CAPITAL ASSETS 26
44.4 LEASES AND OPERATIONS OF LIMITED PARTNERSHIPS 28
44.5 INTEREST EXPENSE 31
44.6 RETURN ON EQUITY CAPITAL OF PROPRIETARY PROVIDERS 33
44.7 WORKER'S COMPENSATION INSURANCE 34
44.8 ADMINISTRATOR IN TRAINING 35
44.9 ACQUISITION COSTS 35
44.10 OCCUPANCY ADJUSTMENT 35

50 PUBLIC HEARING 36

60 WAIVER 36

70 SPECIAL SERVICE ALLOWANCE 36

71 OMNIBUS RECONCILIATION ACT OF 1987(OBRA 87) 36

80 ESTABLISHMENT OF PROSPECTIVE PER DIEM RATE 36
80.1 PRINCIPLE 36
80.2 FIXED COST COMPONENT 37
80.3 DIRECT PATIENT CARE COST COMPONENT 37
80.4 INDIRECT PATIENT CARE COST COMPONENT 41
80.5 ROUTINE CARE COST COMPONENT 42
80.6 RATES FOR FACILITIES RECENTLY SOLD, RENOVATED OR NEW FACILITIES 42
80.7 NURSING HOME CONVERSIONS 43

81 INTERIM AND SUBSEQUENT RATES 44

82 FINAL PROSPECTIVE RATE 44

84 FINAL AUDIT OF FIRST AND SUBSEQUENT PROSPECTIVE YEARS 45

85 SETTLEMENT OF FIXED EXPENSES 46

86 ESTABLISHMENT OF PEER GROUP AND INCENTIVE PAYMENTS 46

87 SECOND AND SUBSEQUENT YEAR FINAL PROSPECTIVE RATE 47

88 CALCULATION OF OVERPAYMENTS OR UNDERPAYMENTS 47

89 BEDBANKING OF NURSING FACILITY BEDS 47

90 DECERTIFICATION /DELICENSING OF NURSING FACILITY BEDS 49

91 INFLATION ADJUSTMENT 50

92 REGIONS 50

93 DAYS WAITING PLACEMENT 50

100 SUPPLEMENTAL PAYMENT 51

120 EXTRAORDINARY CIRCUMSTANCE ALLOWANCE 52

121 CERTIFICATE OF NEED EXTRAORDINARY CIRCUMSTANCE ALLOWANCE 52

130 ADJUSTMENTS 53

140 APPEAL PROCEDURES-START UP COSTS-DEFICIENCY RATE-RATE LIMITATION 53

150 START UP COSTS APPLICABILITY 54

151 COST TREATMENT FOR REIMBURSEMENT 55

152 DEFICIENCY PER DIEM RATE 55

160 INTENSIVE REHABILITATION NF SERVICES FOR TRAUMATIC BRAIN INJURED INDIVIDUALS (TBI) 56

171 COMMUNITY-BASED SPECIALTY NURSING FACILITY UNITS 57

APPENDIX A 59

APPENDIX B 64

APPENDIX C 65

APPENDIX D 67

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INTRODUCTION

GENERAL PROVISIONS

10 PURPOSE

The purpose of these principles is to comply with Section 1902 (a) (13) (A) of the Social Security Act and the Rules and Regulations published thereunder (42 CFR Part 447), namely: to provide for payment of nursing care facility services (provided under Maine's Medicaid Program in accordance with Title XIX of the Social Security Act) through the use of rates which are reasonable and adequate to meet the costs which must be incurred by efficiently and economically operated facilities in order to provide care and services in conformity with applicable State and Federal laws, regulations, and quality and safety standards. These principles incorporate the requirements concerning nursing home reform provisions set forth by the Omnibus Budget and Reconciliation Act of 1987 (OBRA '87). Accordingly, these rates take into account the costs of services required to attain or maintain the highest practicable physical, mental, and psychosocial well being of each Medicaid resident.

11 AUTHORITY

The Authority of the Department of Human Services to accept and administer any funds which may be available from private, local, State or Federal sources for the provision of the services set forth in the Principles of Reimbursement is established in Title 22 of the Maine revised Statutes Annotated, Section 10 and 12. The regulations themselves are issued pursuant to authority granted to the Department of Human Services by Title 22 of the Maine Revised Statutes Annotated Section 42(1).

12 GENERAL DESCRIPTION OF THE RATE SETTING SYSTEM

A prospective case mix payment system for nursing facilities is established by these rules in which the payment rate for services is set in advance of the actual provision of those services. The rate is established in a two step process. In the first step, a facility's base year cost report is reviewed to extract those costs which are allowable costs. A facility's costs may fall into an allowable cost category, but be determined unallowable because they exceed certain limitations. Once allowable costs have been determined and separated into four components - direct, indirect, routine and fixed costs, the second step is accomplished in which the costs which must be incurred by an efficiently and economically operated facility are identified.

Effective 7/1/99

13 EFFECTIVE DATE

These principles apply to reimbursement for all nursing facility services occurring on or after July 1, 1999.

14 REQUIREMENTS FOR PARTICIPATION IN MEDICAID PROGRAM

14.1 Nursing facilities must satisfy all of the following prerequisites in order to be reimbursed for care provided to Medicaid recipients:

14.11 be licensed and certified by the Maine Department of Human Services, pursuant to Title 22, Section 1811 and 42 CFR, Part 442, Subpart C, and

14.12 have a provider Agreement with the Department of Human Services, as required by 42 CFR, Part 442, Subpart B.

14.2 Medicaid payments shall not be made to any facility that fails to meet all the requirements of Subsection 14.1.

15 RESPONSIBILITIES OF OWNERS OR OPERATORS

The owners or operators of a nursing facility shall prudently manage and operate a residential health care program of adequate quality to meet its residents' needs. Neither the issuance of a per diem rate, nor final orders made by the Commissioner or a duly authorized representative shall in any way relieve the owner or operator of a nursing facility from full responsibility for compliance with the requirements and standards of the Department of Human Services or Federal requirements and standards.

16 DUTIES OF THE OWNER OR OPERATOR

In order to qualify for Medicaid reimbursement the owner or operator of a nursing facility, or a duly authorized representative shall:

16.1 Comply with the provisions of sections 15 and 16 and this section setting forth the requirements for participation in the Medicaid Program.

16.2 Submit master file documents and cost reports in accordance with the provisions of sections 30 and 32 of these Principles.

16.3 Maintain adequate financial and statistical records and make them available when requested for inspection by an authorized representative of the Department of Human Services, the state, or the Federal government.

16.4 Assure that annual records are prepared in conformance with Generally Accepted Accounting Principles (GAAP), except where otherwise required.

16.5 Assure that the construction of buildings and the maintenance and operation of premises and programs comply with all applicable health and safety standards.

16.6 Submit, such data, statistics, schedules or other information which the Department requires in order to carry out its functions. Failure to supply the required documentation may result in the Department imposing the deficiency per diem rate described in Section 152 of these Principles.

20 ACCOUNTING REQUIREMENTS

20.1 ACCOUNTING PRINCIPLES

20.11 All financial and statistical reports shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP), consistently applied, unless these rules require specific variations in such principles and Medicare Provider Reimbursement Regulations HIM-15.

20.12 The provider shall establish and maintain a financial management system which provides for adequate internal control assuring the accuracy of financial data, safeguarding of assets and operation efficiency.

20.13 The provider shall report on an accrual basis, unless it is a state or municipal institution that operates on a cash basis. The provider whose records are not maintained on an accrual basis shall develop accrual data for reports on the basis of an analysis of the available documentation. The provider shall retain all such documentation for audit purposes.

21 PROCUREMENT STANDARDS

21.1 Providers shall establish and maintain a code of standards to govern the performance of its employees engaged in purchasing Capital Assets. Such standards shall provide, and providers shall implement to the maximum extent practical, open and free competition among vendors. Providers are encouraged to participate in group purchasing plans when feasible.

21.2 If a provider pays more than a competitive bid for a Capital Asset an amount over the lower bid which cannot be demonstrated to be a reasonable and necessary expenditure it is a nonallowable cost. In situations not competitively bid, providers must act as a prudent buyer as referenced in Subsection 24.2 in these principles. See cost to related organizations Section 24.9.

22 COST ALLOCATION PLANS AND CHANGES IN ACCOUNTING METHODS

With respect to the allocation of costs to the nursing facility and within the nursing facility, the following rules shall apply:

22.1 Providers that have costs allocated from related entities included in their cost reports shall include as a part of their cost report submission, a summary of the allocated costs, including a reconciliation of the allocated costs to the entity's financial statements which must also be submitted with the Medicaid cost report. In the case of a home office, related management company, or real estate management company, this would include a

completed Home Office Cost Statement which show the costs that are removed which are unallowable. The provider shall submit this reconciliation with the Medicaid cost report. If the nursing facility is a Medicare provider, the Medicare Home Office Cost report may be used to identify the unallowable costs that are removed, if the Medicare Home Office Cost report is completed in sufficient detail to allow the Department to make its findings.

22.2 No change in accounting methods or basis of cost allocation may be made without prior written approval of the Bureau of Medical Services.

22.3 Any application for a change in accounting method or basis of cost allocation, which has an effect on the amount of allowable costs or computation of the per diem rate of payment, shall be made within the first 90 days of the reporting year. The application shall specify:

22.31 the nature of the change;
22.32 the reason for the change;
22.33 the effect of the change on the per diem rate of payment; and
22.34 the likely effect of the change on future rates of payment.

22.4 The Department of Human Services shall review each application and within 60 days of the receipt of the application approve, deny or propose modification of the requested change. If no action is taken within the specified period, the application will be deemed to have been approved.

22.5 Each provider shall notify the Department of Human Services of changes in statistical allocations or record keeping required by the Medicare Intermediary.

22.6 The capital component (any element of fixed cost that is included in the price charged by a supplier of goods or services) of purchased goods or services, such as plant operation and maintenance, utilities, dietary, laundry, housekeeping, and all others, whether or not acquired from a related party, shall be considered as costs for the particular good or service and not classified as Property and Related costs (fixed costs) of the nursing facility.

22.7 Costs allocated to the nursing facility shall be reasonable and necessary, as determined by the Maine Department of Human Services pursuant to these rules.

22.8 It is the duty of the provider to notify the Division of Audit within 5 days of any change in its customary charges to the general public. A rate schedule may be submitted to the Department by the nursing facility to satisfy this requirement if the schedule allows the Department the ability to determine with certainty the charge structure of the nursing facility.

22.9 All year end accruals must be paid by the facility within six (6) months after the end of the fiscal year in which the amounts are accrued. If the accruals are not paid within such time, these amounts will be deducted from allowable costs incurred in the first field or desk audit conducted following that six month period.